



Statement by Philia SA "Philia", relating to a report published by NGO Berne Declaration in March 2015 alleging misconduct by Philia in relation to its dealings with Congolaise de Raffinage "CORAF"

Following the recent report published by the NGO Berne Declaration ("BD") and the subsequent media reporting, Philia would like to clarify its position with respect to the baseless accusations made:

- Contrary to the BD report's allegations, Philia obtained its fuel oil contract following a public tender for a spot cargo which was subsequently awarded on the basis of best price and contractual conditions. Subsequent to satisfactory execution of the initial operation by Philia, CORAF exercised its option to engage in a term contract having been satisfied with pricing terms and contractual conditions more favorable than they had received previously from other buyers. As per the referenced report CORAF describes the collaboration as a "Win-Win" scenario. (<http://www.adiac-congo.com/print/content/petrole-la-coraf-engagee-dans-un-partenariat-gagnant-gagnant-avec-philia-sa-28566>).
Also, in support of Philia, 'Le Potentiel', a publication from the Democratic Republic of Congo wrote on 6 March 2015: "You could say that this approach which is alleging some form of embezzlement, is nothing more than a Western plot against the regime of Brazzaville, therefore of questionable credibility! "according to sources close to Coraf who do not deny the existence of the contract'. (<http://goo.gl/IJx2H7>)
- Contrary to the BD report's allegations, Philia has no business arrangements with any politically exposed persons, either in The Republic of The Congo or elsewhere. Philia is a serious and professional establishment with over thirty employees globally and conducts all its affairs in line with the laws of the countries in which it executes its commercial operations.
- Contrary to the BD report's allegations, Philia SA does not merely sell on CORAF's fuel oil to third party trading companies for a fixed margin (referred to as "flipping" in the report). The majority of the cargos were sold by Philia directly to major oil refining companies at the best price achievable in the market at the time. Philia's value-added to CORAF and therefore ultimately to The Republic of the Congo, is to guarantee a stable base price for the merchandise, resulting in a stable and predictable income.

Throughout the BD report, the authors admit that they have no proof that any of Philia's dealings are illegal and also admit that there is no proof that Philia or CORAF disburses monies to members of the Congolese political elite. The following excerpt from BD's English translation of their report reads as follows: "We have revealed nothing illegal in Philia's business deals. In Philia's case, we possess no facts that would enable us to confirm that its profits swell the pockets of members of the Congolese elite." (BD report page 29).

It is our view that the evidence in BD's possession, and subsequently broadcast to the media, has been manipulated to create a negative impression about Philia. We are currently considering our legal options.